

**MINUTES OF THE  
ECONOMIC DEVELOPMENT AND REVENUE  
APPROPRIATIONS SUBCOMMITTEE**

Room W140 West Office Building, State Capitol Complex

February 4, 2008

**Members Present:** Rep. Sheryl Allen, Co-Chairman  
Sen. Gene Davis  
Rep. Jim Bird  
Rep. Jackie Biskupski  
Rep. Julie Fisher  
Rep. Steven R. Mascaro

**Members Excused:** Sen. Bill Hickman, Co-Chairman  
Sen. Dan Eastman

**Staff Present:** Dr. Andrea Wilko, Chief Economist  
Dr. Thomas Young, Economist  
Jennifer Eyring, Committee Secretary

**Note:** A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Allen called the meeting to order at 2:11 p.m.

Dr. Andrea Wilko provided a handout to the committee of funding requests for prioritization.

Rep. Allen discussed the upcoming request meeting on Wednesday, February 6, 2008 and the committee's prioritization schedule.

Dr. Wilko discussed the Budget Briefs for the Governor's Office of Economic Development Administration and Business Development. The Office provides leadership to the Office of Tourism and also Business Development. It also provides a pass through for the Utah Sports Commission, the Utah Summer Games, the Defense Alliance and other organizations. Questions about the role of the Defense Alliance were discussed. Utah has been ranked by two groups as the most competitive state in the nation for economic development. The recommended budget for Administration is \$2,536,400 with the same FTEs. The primary role of Business Development is to create jobs that raise the standard of living in the state. The budget line item has three categories: Business Growth, Business Creation and Business Recruitment. The committee will need to consider prioritizing funding for the Tax Increment Financing commitments in the amount of \$4,400,000 for FY 2008 and \$15,480,000 for FY 2009. This funding is considered as a Building Block request. The Industrial Assistance Fund is a post performance rebate for companies who create jobs in Utah. The amount for FY 2008 is

\$1,513,000. The funds have been set aside from the 2007 surplus and the committee can recommend to the Executive Appropriations Committee that the funds be appropriated from that source. The Office of Business Development's history and goals were outlined in the Budget Brief. The Procurement Technical Assistance Program was highlighted. The recommended base budget is \$8,681,100 for the Business Development line item.

Rep. Allen discussed an upcoming study that would look at the various State funded economic development entities.

Jason Perry, Executive Director, Governor's Office of Economic Development, discussed various items in the Governor's budget. The Health Insurance Initiative funding is tracked by GOED. The Governor's budget has \$1,000,000 ongoing funds and \$1,000,000 one-time funds for this program. The Office is requesting \$350,000 ongoing funds for the World Trade Center Utah. Lew Cramer, President and CEO, World Trade Center Utah, was recognized. GOED and World Trade Center Utah work together to promote international trade.

Lew Cramer addressed a committee question.

Jason Perry discussed the Rural Partnership Board. A request was made for \$15,000 ongoing funds for travel expenses for board members. A request was made for \$350,000 one-time funds for the Defense Alliance. Fred Lange, Director, PTAC, was recognized. PTAC, along with Logistics Specialties Inc., has been successful in helping local businesses win government contracts. The Economic Development Tax Increment Fund was discussed. The funding provides post performance incentives to companies that relocate to Utah. The state benefits with increased revenues, capital investment and jobs. The Economic Development Tax Increment Fund commitment is \$4,400,000 in FY2008 and \$15,480,000 in FY 2009. The Industrial Assistance Fund replenishment is \$1,513,000. Questions from the committee were addressed.

Dr. Wilko gave an overview of the Utah Science, Technology, and Research (USTAR) Budget Brief. The program has three major areas: construction of research buildings at the University of Utah and Utah State University, recruiting research teams, and helping Utah stay competitive through five outreach locations. Research building funding was explained. The Technology Outreach Program has established centers at Weber State University, Salt Lake Community College, Utah State University - Uintah Basin, Utah Valley University, and Southern Utah University. The recommended base budget is \$20,209,200 for program areas and \$12,000,000 remaining funds in Capital Development.

Ted McAleer, Executive Director, USTAR, discussed the amount surrounding states spend on similar programs. The Governor's budget and additional funding requests were explained. Research areas of interest include energy development, biomedical devices, advanced composites and digital media.

Dr. Wilko helped clarify committee questions concerning USTAR budget requests.

Ted McAleer discussed the effectiveness of ads and outreach programs. Questions about coal liquification and other unconventional fuel sources were addressed.

Rep. Allen reminded the committee about preparing their priorities for the upcoming meetings.

Rep. Bird made a motion to adjourn. The motion was approved unanimously.

Rep. Allen adjourned the meeting at 2:55 p.m.

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Sen. Bill Hickman, Co-Chair

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Rep. Sheryl L. Allen, Co-Chair